



MEMORANDUM OF UNDERSTANDING

between

THE CITY OF MONTEREY PARK, CALIFORNIA

and

THE MONTEREY PARK POLICE OFFICERS' ASSOCIATION

POLICE CAPTAINS' BARGAINING UNIT

TWO YEAR AGREEMENT: 07/01/2014 - 06/30/2016

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MEMORANDUM OF UNDERSTANDING
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THE CITY OF MONTEREY PARK
and
THE MONTEREY PARK POLICE OFFICERS' ASSOCIATION
CAPTAINS' BARGAINING UNIT
(TWO-YEAR AGREEMENT 7/1/2012 - 6/30/2014)

PREAMBLE

This Memorandum has been prepared in accordance with the California Government Code (Section 3500 et. seq.). The City of Monterey Park, California, hereinafter referred to as the "City," and the Monterey Park Police Officers' Association, Captains' Unit, hereinafter referred to as the "Recognized Employee Organization," have reached this Memorandum of Understanding pursuant to meeting and conferring in good faith.

ARTICLE 1 - SCOPE OF MEMORANDUM OF UNDERSTANDING

It is the intent and purpose of this Memorandum to assure sound and mutually beneficial working and economic relations between the parties hereto, to provide an orderly and peaceful means of resolving any misunderstandings or differences which may arise, and to set forth herein the basic and full agreement between the parties concerning wages, hours of employment, and other conditions of employment.

ARTICLE 2 - RECOGNITION

- A. The City acknowledges the Monterey Park Police Officers' Association as the Recognized Employee Organization as the representative for certain employees in the Police Department of the City of Monterey Park, California, for the purpose of meeting and conferring in good faith regarding wages, hours, and other terms and conditions of employment.
 - 1. Effective September 1, 1999, the City of Monterey Park and the Monterey Park Police Officers Association acknowledge that, for the purposes of meet and confer negotiations regarding wages, hours, and other terms and conditions of employment, Police Captains will be represented in a Bargaining Unit separate from the Police Officers', Police Sergeants' and Police Lieutenants' Bargaining Unit.
- B. This Memorandum shall cover all employees working in the classification of Police Captain on the effective date of this agreement.
- C. This Memorandum does not preclude employees in such employment classifications from representing themselves individually in their employment relations with the City.

ARTICLE 3 - CITY RESPONSIBILITIES AND RIGHTS

- A. To ensure that the City is able to carry out its statutory functions and responsibilities, the following matters will not be subject to the terms of this Memorandum, but shall be within the exclusive discretion of the City: to select and determine the number and types of employees required; to assign work to employees in accordance with the City; to establish and change work schedules and assignments; to hire, transfer and to promote or to lay off employees for lack of work and for all other legitimate reasons; to suspend, discipline or discharge for just cause; to expand or diminish services; to subcontract any work or operations; to determine and change at its sole discretion, the number of locations, relocations and types of operations and the processes and materials to be employed.
- B. Notwithstanding the above, the City hereby agrees to Meet and Confer with the Recognized Employee Organization on any changes regarding hours, work schedules, salaries, or working conditions. The City agrees to adhere to the job specifications established for each classification.

ARTICLE 4 - EMPLOYEE AND/OR EMPLOYEE REPRESENTATIVES

- A. During the life of this Memorandum, all employees as described above in Article 2, Section B, shall have the right to join the Recognized Employee Organization, or to refuse or refrain from joining said organization.
- B. Members of the Bargaining Unit represented by the Recognized Employee Organization may, by any reasonable methods, select three (3) representatives who may or may not be City employees to meet and confer with the City Representative Committee or other management officials on subjects within the scope of representation during regular duty or working hours, without loss of time, provided:
 - 1. That no employee representative shall leave duty or workstation or assignment without specific approval by any authorized departmental management official.
 - 2. That any such meeting is subject to scheduling by an authorized departmental management official so as to avoid interference with or interruption of assigned work schedules or work performance.
- C. The City will deduct dues and initiation fees from those employees who voluntarily sign and have submitted to the City the necessary authorization card.
- D. Deductions as are authorized in writing by the employee shall be deducted from earned wages or salaries on each payday of each month. The City shall forward to the Recognized Employee Organization all dues and/or initiation fees deducted from the employees for any month, the first of the succeeding month.
- E. The Recognized Employee Organization shall indemnify, defend and hold the City harmless against claims and any suit instituted by an employee against the City which shall arise out of any action which shall be taken by the City in accordance with the foregoing provision as set forth in Section C and D above.

- F. The Recognized Employee Organization representatives, while on City property, shall abide by the City's safety rules and regulations.
- G. The Employee Representatives will include at least one employee member. Employee Representatives shall be provided reasonable release time, without loss of salary or benefits, for purposes of collective bargaining and/or processing of employee grievances. In addition, Association representatives may be granted reasonable release time to attend POA sponsored training programs, seminars, and conferences, subject to prior City approval.
- H. A written list of the Officers of the Recognized Employee Organization and the Employee Representatives shall be furnished to the City immediately after their designation, and the Recognized Employee Organization shall notify the City promptly in writing of any changes of such Officers or Representatives.

ARTICLE 5 - COMMUNICATIONS

Space shall be provided on City bulletin boards for the posting of the following notices of immediate concern to the employee group members:

- 1. Recognized Employee Organization recreational and social activities.
- 2. Recognized Employee Organization election notices and results.
- 3. Recognized Employee Organization meetings and events.
- 4. Such other notices as may be mutually agreed upon by the Recognized Employee Organization and the Chief of Police or his/her representative.
- 5. All notices and materials regarding the business of the Recognized Employee Organization.

ARTICLE 6 - CONTINUED PERFORMANCE OF CITY SERVICES AND OPERATIONS

- A. The Recognized Employee Organization hereby agrees that during the terms of this Memorandum, the employees of the City, as set forth in Article 2, Section B., the officers and/or agents of the Recognized Employee Organization shall not engage in, encourage, sanction, support, authorize or suggest any work stoppages, strikes, boycotts, slowdowns, mass resignation, mass absenteeism, or any other intentional interference of work of the City. However, information pickets, following an impasse in the Meet and Confer process, are excluded from this Article and are therefore allowed as long as the picketing is not violent, does not block ingress or egress and/or does not interfere with the public health, safety or order.
- B. In the event any employee, or employees, participates in any of the prohibited activities stated above, the Recognized Employee Organization shall notify such employee or employees, so engaged to cease and desist from such activities and shall instruct said person, or persons, to return to their normal work assignment and duties.
- C. The employee, or employees, participating in the activities prohibited above shall be subject to disciplinary action by the City, including suspension or discharge in accordance with the City's

ARTICLE 7 - GRIEVANCE PROCEDURE

A. **DEFINITIONS**

1. A "grievance" is a formal written or oral allegation by a member of the Association on behalf of specified unit members of the bargaining unit who have been adversely affected by an alleged violation of the specific provisions of this Memorandum of Understanding, the City's Personnel Rules, written Department Rules, Regulations, policies and procedures or an appeal of a disciplinary action decision by the City Manager.
2. A "disciplinary grievance" is a formal written objection or challenge to any disciplinary action as defined by the Personnel Rules and Regulations. A "disciplinary grievance" shall be filed after the written receipt of the City Manager's decision, and shall constitute the sole and exclusive process of appeal. Such appeals shall be processed at Level IV, Administrative Hearing.

Discipline shall be imposed in such a manner as to not violate the FLSA as regards "exempt" employees.

3. A "grievant" is any unit member or the Association on behalf of specified unit members adversely affected by an alleged violation within the scope of the grievance procedure as defined above.
4. A "day" is any day in which the administrative offices of the City of Monterey Park are open for regularly scheduled business.
5. Disputes regarding jurisdiction (grievability of an issue) shall not be subject to resolution by the grievance procedure and instead, are subject to resolution by the courts.

B. **GENERAL PROVISIONS**

1. Until final disposition of a grievance, the grievant shall comply with the lawful orders of the grievant's immediate supervisor.
2. All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants, unless otherwise mutually agreed to by the parties.
3. Time limits for appeal provided at any level of this procedure shall begin the first day following receipt of the written decision by the grievant and/or the Association. Failure of the grievant to adhere to the time deadlines shall mean that the grievant is satisfied with the previous decision and waives the right to further appeal. The grievant and the City may extend any time deadline by mutual agreement. Failure by the City to meet established deadlines shall entitle but not obligate the grievant to appeal to the next step of the procedure.
4. Every effort will be made to schedule meetings for the processing of grievances during the regular work schedule of the participants. If any grievance meeting or hearing must be

scheduled during duty hours, any employee required by either party to participate as a witness or grievant in such meeting or hearing shall be released from regular duties without loss of pay for a reasonable amount of time.

5. Any unit member may, at any time, present grievances to the City and have such grievances adjusted without the intervention of the Association, as long as the adjustment is reached prior to the hearing and the adjustment is not inconsistent with the terms of this Memorandum, provided that the City shall not agree to a resolution of the grievance until the Association has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response within twenty (20) days. Upon request of the grievant, the grievant may be represented at any stage of the grievance procedure by a representative of the Association which may include the attorney of the Association. The Association may also be represented at any grievance meetings and will be notified of any such meetings.
6. This grievance procedure shall be the sole and exclusive procedure for processing objections or challenges to disciplinary actions as defined in the Personnel Rules and Regulations and shall satisfy all administrative appeal rights and protection.
7. There shall be no reprisals, interference, coercion or discrimination against any Department employee for processing a grievance at any level, or for assisting a grievant in the processing of a grievance.

C. PROCEDURE - Grievances will be processed in accordance with the following procedures:

1. Level I - Informal Resolution

- a. Any unit member or the Association who believes he/she has a grievance which is within the scope of the grievance procedure of this Memorandum of Understanding shall present the grievance orally to the Police Chief within fifteen (15) workdays after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The Police Chief shall hold discussions and attempt to resolve the matter within ten (10) days after the presentation of the grievance. It is the intent of this informal procedure that at least one personal conference be held between the aggrieved employee, their representative and the Police Chief.

2. Level II - Formal Written Grievance

- a. If the grievance is not settled during the informal conference and the grievant wishes to press the matter, the grievant shall present the grievance in writing on the appropriate form to the Police Chief within ten (10) days.

The written information shall include: (a) a description of the specific grounds of the grievance; (b) a listing of the provisions of this agreement, personnel rules, regulations or procedures alleged to have been violated; and (c) a listing of specific actions requested of the City which will remedy the grievance.

- b. The Police Chief or his designee shall communicate the decision, in writing, to the

grievant within ten (10) days after receiving the grievance.

- c. Within the above time limits the parties may request a personal conference.
- d. Grievances, which do not allege grievable subjects as defined under Section A.1 above, are not subject to review above this level.

3. Level III - Appeal to the City Manager

- a. If the grievant is not satisfied with the decision at Level II the grievant may, within ten (10) days of the receipt of the decision at Level II, appeal the decision to the City Manager. This statement shall include a copy of the original grievance and appeal, and a clear, concise statement of the reasons for the appeal.
- b. The City Manager shall communicate the decision, in writing, to the grievant within ten (10) days. If the City Manager does not respond within the time limits provided, the grievant may appeal to the next level.

4. Level IV - Administrative Hearing

- a. If the grievant is not satisfied with the decision at Level III, or if an employee or the Association wishes to appeal the disciplinary decision of the City Manager, the grievant /employee may within ten (10) days of the receipt of the decision submit a request in writing to the Association for an administrative hearing of the dispute. Within twenty (20) days of the grievant's receipt of the decision at Level III, the Association shall inform the City, in writing, of its request to have an administrative hearing. The Association and the City shall attempt to agree upon a hearing officer.

If no agreement can be reached, they shall request that the City supply a list of seven (7) names of persons experienced in hearing grievances in cities from a panel mutually selected by the Association and the City. Each party shall alternately strike a name until only one remains. The remaining panel member shall be the Hearing Officer. The order of the striking shall be determined by lot.

- b. If either the City or the Association so requests, the Hearing Officer shall be requested to hear the merits of any issues raised regarding grievability. No hearing on the merits of the grievance will be conducted until the issue of grievability has been decided. The same Hearing Officer shall decide the issue of grievability, and if grievable, then the merits of the dispute.
- c. The Hearing Officer shall within thirty (30) days unless both parties agree otherwise, hear evidence and render a decision on the issue or issues submitted to him/her. If the parties cannot agree upon a submission agreement, the Hearing Officer shall determine the issues by referring to the written grievance and the answers thereto at each step.
- d. The Hearing Officer shall hold a hearing on the issue submitted or as determined by the Hearing Officer if the parties have not mutually agreed upon the issue, and

render a written decision. The conduct of the hearing proceedings shall be governed by California Code of Civil Procedure section 1280 et. seq. The Hearing Officer's decision shall be final and binding. The Hearing Officer's decision is reviewable under California Code of Civil Procedure 1094.5.

- e. The City and the Association agree that the jurisdiction and authority of the Hearing Officer so selected and the opinions the Hearing Officer expresses will be confined exclusively to the interpretation of the express provision or provisions of this Agreement at issue between the parties. The Hearing Officer shall have no authority to add to, subtract from, alter, amend, or modify any provisions of this Agreement or the written ordinances, resolutions, rules, regulations and procedures of the City or the Department, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this Agreement. The Hearing Officer shall be without powers or authority to make any decision that requires the City or management to do an act prohibited by law.
- f. In the event that this grievance procedure is used to challenge disciplinary actions, the Hearing Officer shall prepare a written decision containing findings of fact, determination of issues, and statement of the precise disciplinary penalty, if any.
- g. After a hearing and after both parties have had an opportunity to make written arguments, the Hearing Officer shall submit in writing to all parties his/her findings and award.
- h. The fees and expenses of the Hearing Officer shall be shared equally by the City and the Association. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire hearing. The cost of the services of such court reporter shall be shared equally by the parties.
- i. By filing a grievance and processing it beyond Level III, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this grievance/administrative hearing procedure. The processing of either party may, within ten (10) business days (Monday - Friday) following conclusion of the mediation, submit a written request to the City Manager, directing that he review the matter. Grievance beyond level III shall constitute an express election on the part of the grievant that the grievance/administrative hearing procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the hearing award in any court of competent jurisdiction.
- j. With regard to discipline-related hearings governed by this Section (C)(4), where the discipline subject to appeal consists of a minimum of 8.1 hours and a maximum of 24 hours, the following limitation shall apply to the amount of time available to each party to the hearing for a presentation of any individual party's case. For purposes of time-limit computation only, the Association and any one

(1) employee, as well as any other entity that may properly be appearing on behalf of or with an interest similar to the Association or employee, shall be jointly deemed to be the same one party for computing the time limitation on presentations. Accordingly, the time limitation shall not be multiplied by the number of individuals or entities appearing, on behalf of, or with an interest similar to, the individual employee who has been disciplined.

Each party to the Article 7 administrative appeal shall be limited to a maximum of twelve (12) hours of presentation time during conduct of an administrative appeal pursuant to MOU Article 7(C)(4) Level IV Administrative Hearing.

“Presentation Time” against which shall be charged the twelve (12) hour presentation time limitation, shall include oral opening statement and oral closing argument, direct/redirect examination of witnesses, rebuttal and sur-rebuttal witness testimony, demonstrations, and site inspections (excluding travel time to and from the site). Cross examination shall not be counted as part of the “Presentation Time.”

The hearing officer shall record and maintain account of all such hours by means of a timekeeping device suitable to the task. Absent stipulation by the parties to extend the twelve (12) hour limitation, the hearing officer shall have no authority to extend said limitation.

ARTICLE 8 - ADMINISTRATIVE LEAVE

- A. 7K Exemption: The City of Monterey Park has exercised its ability to declare the "7K" exemption under the Fair Labor Standards Act (FLSA) for sworn police personnel. The work period for such employees shall be twenty-eight (28) days in length commencing on Saturday, April 20, 1985 at 2:00 a.m.
- B. Police Captains shall remain exempt from overtime.
- C. Administrative leave shall be given to all unit employees designated by the Police Chief as qualified to receive administrative leave.
- D. Administrative leave shall be granted by the Police Chief utilizing the following criteria:
 - 1. The Captain is required or expected to attend City Council, City Commissions, or other City related functions that occur after normal business hours.
 - 2. The Captain is required to be present or on call after normal business hours.
 - 3. The Police Chief feels the employee consistently works hours beyond the normal business hours.

Effective July 1, 2012, once an employee has been designated to receive administrative leave, the employee shall receive seventy-two (72) hours every July 1.

- 4. Unused Administrative Leave shall not be carried over into the next fiscal year.

- E. The times during the fiscal year at which an employee may take his/her administrative leave shall be determined by the Police Chief with due regard for the wishes of the employee and the needs of the service. Eligibility for this leave shall not be predicated upon first having all vacation and sick leave exhausted. Administrative leave may be utilized at any time during the fiscal year.

ARTICLE 9 - VACATION

- A. Policy: It is the intent and purpose of this vacation leave policy that all employees avail themselves of accrued vacation time in order to promote a safe and productive working environment. However, the parties do recognize that personal circumstances and/or the staffing requirements of the Police Department may periodically impact the ability of an employee to utilize any/or all of his/her annual vacation accrual.

B. Vacation Accrual:

1. Accrual Rate: Employees shall accrue paid vacation time on the basis of years of paid service. The accrual rate shall be as follows:

- * 0 - 6 years eleven (11) days per year
- * 7 + years one (1) additional day per year to a maximum of twenty-five (25) days

2. Accrual Caps: Except as provided herein, no employee may accrue greater than 500 vacation hours.

The total number of vacation hours accrued on or before January 14, 1995 shall not be subject to the above accrual limitation and shall be placed in a separate accrual bank (Bank No. 1). The number of vacation hours contained within Bank No. 1 on January 14, 1995 shall not increase except as provided below.

Concurrent with the creation of Bank No. 1, there shall be created a second vacation bank (Bank No. 2) that shall have a balance of zero at its inception. Vacation hours accumulated after January 14, 1995 shall be deposited in Bank No. 2. Except as provided below, if Bank No. 2 should equal 500 hours, then no vacation hours or cash equivalency shall be earned by the employee until the balance in Bank No. 2 is less than 500 hours. Effective July 1, 2014, vacation hours in Bank No. 2 accrued in excess of 500 hours shall be automatically cashed out as part of the regular payroll process. Said hours shall be cashed out during the pay period in which they are earned. In no case shall an employee be allowed cash out above the cap balance if the employee has not, within the fiscal year, taken advantage of the cash-out provisions of Article 11 of this MOU or has not taken 40 hours of vacation for the year. If an employee has not cashed out as provided in Article 11 or taken forty (40) of vacation, accrual of vacation will cease once the cap is met except for the following provisions.

Only in exceptional circumstances shall an employee be allowed to exceed the maximum vacation accrual. In no case shall an employee's request to accrue vacation in excess of the accrual cap be granted if the employee has not, within the fiscal year, taken advantage of the cash-out provisions of Article 11 of this MOU. Any approval to accrue in excess of

the accrual cap requires a written request from the Police Chief to the City Manager stating that the employee will not be authorized to utilize vacation prior to reaching the accrual cap because of Department staffing requirements. The City Manager's approval is required. The number of hours allowed above the cap shall be in an amount sufficient to allow the employee 60 days to utilize vacation time prior to again reaching the cap. The approved number of hours shall be placed in bank number 1.

- C. Use of Vacation Time: Probationary employees shall be authorized to utilize accrued vacation time prior to conclusion of the probationary test period.

Use of vacation time during the calendar year shall be approved by the Chief of Police or his designee, with due regard for the wishes of the employee, the employee's accumulated vacation credits, and particular regard for the needs of the Department.

ARTICLE 10 - HOLIDAY SCHEDULE

Policy: It is the intent and purpose of this holiday leave policy that all employees avail themselves of accrued holiday time in order to promote a safe and productive working environment. However, the parties do recognize that personal circumstances and/or the staffing requirements of the Police Department may periodically impact the ability of an employee to utilize any or all of his/her annual holiday accrual.

Holidays are observed as follows:

CITY HALL CLOSED

Regular:	New Year's Day	Veteran's Day
	Washington's Birthday	Thanksgiving Day
	Memorial Day	Day After Thanksgiving Day
	Independence Day	Christmas Eve Day
	Labor Day	Christmas Day
		New Year's Eve Day

CITY HALL OPEN

Floating:	Admission's Day	Columbus Day
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Except as provided herein, no employee may accrue greater than 192 holiday hours.

The total number of holiday hours accrued on or before January 14, 1995 shall not be subject to the above accrual limitation and shall be placed in a separate accrual bank (Bank No. 1). The number of holiday hours contained within Bank No. 1 shall not increase after January 14, 1995 except as provided below.

Concurrent with the creation of Bank No. 1, there shall be created a second holiday bank (Bank No. 2) that shall have a balance of zero at its inception. Holiday hours accumulated after January 14, 1995 shall be deposited in Bank No. 2. Except as provided below, if Bank No. 2 should equal 192 hours, then no holiday hours or cash equivalency shall be earned by the employee until the balance in Bank No. 2 is less than 192 hours.

Only in exceptional circumstances shall an employee be allowed to exceed the maximum holiday accrual. In no case shall an employee's request to accrue holiday in excess of the accrual cap be granted if the employee has not, within the fiscal year, taken advantage of the cash-out provisions of Article 11 of this MOU. Any approval to accrue in excess of the accrual cap requires a written request from the Police Chief to the City Manager stating that the employee will not be authorized to utilize holiday prior to reaching the accrual cap because of Department staffing requirements. The City Manager's approval is required. The number of hours allowed above the cap shall be in an amount sufficient to allow the employee an opportunity to utilize holiday time prior to again reaching the cap. The approved number of hours shall be placed in bank number 1.

ARTICLE 11 - ACCRUAL CASH-OUT

- A. Effective July 1, 2012 represented members may elect to annually during any fiscal year, cash-out up to a total of one-hundred (100) hours of accumulated and earned vacation time or holiday time (or a combination thereof). Requests for cash-out are to be submitted in a manner prescribed by the City.

ARTICLE 12 - SICK LEAVE

- A. Sick leave with pay shall be granted to every full time employee who has been continuously employed for a period of time in excess of 30 days. Such sick leave shall be granted by the appointing authority at any time after 30 days of employment, at the rate of eight-hours for each full calendar month of continuous employment with the City, including time served in probationary status.
 - 1. Sick leave shall be accumulated at the rate of eight (8) hours per month (96 hours per year).
- B. Sick leave shall not be considered as a privilege, which an employee may use at his/her discretion, but shall be allowed only in the case of necessity and actual sickness or disability, incurred on or off the job.
 - 1. On July 1, 2012, any existing sick leave balance in the employee's MOU Section 12 account shall be placed in a separate leave bank and the amount of that bank shall not be increased nor added to. The hours in the bank shall be subject to the reimbursement provisions described below as being in MOU Section 12G. The employee shall be allowed to utilize this sick leave bank balance to fund future illnesses/sick leave. However, the employee shall not be required to utilize this sick leave account unless or until the employee elects to do so. For example if an employee had 1,000 hours of sick leave in this account and retired for service, the employee would be provided 50% cash out upon service retirement. Accordingly, the employee has the option of utilizing the following newly created 800 hour sick leave account before utilizing this frozen account.
 - 2. Commencing on July 1, 2012, sick leave earned by bargaining unit members shall be deposited into a second sick leave account which shall be capped at a maximum of 800 hours. Upon having 800 hours in the second sick leave account there shall be no further accrual of sick leave unless or until use results in a balance of less than 800 hours. Effective one month after the City Council approves the 2014-2016 MOU, employees, who retire from the city with more than 10 total years of city service, beginning from the

date of employment, shall be eligible to cash out sick leave in the "second" sick leave account at the rate of 14 hours for each one full year (12 months) of city service. City service, for the purposes of determining hours eligible for cash out, shall be calculated beginning July 1, 2012.

3. In addition, the City contracts with CalPERS for the Credit for Unused Sick Leave option (Section 20965). Any amount of sick leave accrual not taken as cash payment will be reported to CalPERS for calculation as additional service credit.
 4. Upon death of an employee prior to retirement, the City will pay to the employee's designated beneficiary the employee's accumulated sick leave accrual in an amount consistent with the above retirement-related pay-out schedules as separately set forth in B(1) and B(2) above.
- C. The City Manager may, at any time in order to receive further information with respect to the competency of the employee to perform his job duties, request such employee to submit to a medical examination, either physical or mental, at the expense of the City.
- D. Refusal of any employee to submit to such a medical examination shall constitute insubordination and grounds for disciplinary action.
- E. Government Code Section 21163 provides in pertinent part that the retirement of a PERS member who has been granted or is entitled to leave, shall not become effective until the expiration of sick leave with compensation, unless the member applies for, or consents to, his or her retirement as of an earlier date, *or unless, with respect to sick leave, the provisions of a local ordinance or resolution or the rules or regulations of the employer provide to the contrary.* In this regard, it is acknowledged that as regard non-industrial disability retirements, it is the rules and regulation of the City that no employee shall be entitled to use or receive cash distribution of sick leave on or after the effective date of said retirements and that any such retirement shall be effective regardless of the employee having sick leave remaining in the employee's account. Additionally, it is acknowledged that as regards individuals suffering from an industrial disability and/or being granted an industrial disability retirement, that the following sick leave rules and regulations shall apply:
1. In any instance where the local safety member has exhausted eligibility for benefits pursuant to Labor Code Section 4850, but is not eligible for disability retirement at said time, yet remains incapacitated from performance of the essential duties of the employee's position, then the employee shall have the option of electing to receive their sick leave balance existing at the time of exhaustion of the Labor Code Section 4850 benefits in accordance with the sick leave cash-out schedule contained in Section B of this Article 12, with said amounts to be distributed during each payroll period until said 50 percent amount has been exhausted. In no case shall any such distribution during one pay period exceed the gross salary to which the employee would otherwise be entitled during said pay period.
 2. However, if said employee is eligible for an industrial disability retirement prior to exhaustion of benefits under Labor Code Section 4850 or simultaneous with the same, and still has sick leave remaining on account, then the retirement shall still become effective and the safety employee shall be provided a one-time cash distribution of the

employee's sick leave balance as it existed on the effective date of the industrial disability retirement in accordance with the sick leave cash-out schedule contained in Section G of this Article 12. Further, said employee shall then be paid the cash value of accumulated vacation, holiday, and compensatory time off. Said payment shall, at the City's option, be paid in one lump sum or in pay period installments not exceeding the gross salary to which the employee would otherwise be entitled during said pay period.

- F. Upon the service retirement of an employee, the City will pay to the employee an amount equal to 50% of the individual employee's accumulated sick leave account as revised July 1, 2012 as outline in MOU Section 12(C)(1)(2). Payment to be made at the employee's current rate of pay.
- G. Upon the death of an employee prior to retirement, the City will pay to the employee's designated beneficiary under the City life insurance program, an amount equal to the separate amounts provided for in C(1) and C(4) above. Payment to be made at the employee's current rate of pay.
- H. Upon accumulation of 500 sick leave hours, an employee may elect to cash-out up to ninety-six (96) hours accumulated sick leave, as long as the employee's account contains at least 500 hours after the cash out. Any such cash-out shall be at 75% value (e.g., 96 hours cash-out = 72 hours pay). Requests for cash-out will be processed the first payroll date following December 1st of each year and shall be submitted in a manner prescribed by the City.

ARTICLE 13 - BEREAVEMENT LEAVE

Each regular employee may be granted bereavement leave at the discretion of the Chief of Police whenever death occurs to a member of the employee's immediate family. Bereavement leave may not exceed three shifts, however, if travel outside the State of California, or within the State of California but extending beyond a distance of 300 miles from Monterey Park is necessary, bereavement leave may be extended to a total of five shifts. Shifts of Bereavement Leave are to be charged to an account separate from the employee's sick leave account.

Immediate family, for the purpose of bereavement leave, shall include: spouse, father, father-in-law, mother, mother-in-law, child, stepchild, grandparents, grandchildren, brother(s) brother-in-law, sister(s) or sister-in-law of the employee.

ARTICLE 14 - EMERGENCY AND FAMILY SICK LEAVE

An employee with regular status covered by this Agreement may be granted emergency sick leave or family sick leave at the discretion of the Police Chief whenever an illness occurs to a member of the employee's immediate family. Family sick leave may not exceed forty-eight hours in any one calendar year; however, if travel outside the state of California is necessary, family sick leave may be extended to a total of five working days.

Serious illness, for the purpose of Family Sick Leave, shall be defined as a situation, in that the family member, injured or ill, requires hospitalization, medical attention and treatment by a physician or the attention and care of the employee. The employee is expected to make suitable arrangements for the care of the injured or ill family member as soon as practicable.

Family illness shall be defined as a situation, which requires an employee to take care of a family member who is ill or has a scheduled appointment with a health care professional.

Immediate family, for the purpose of emergency or family sick leave, shall include: spouse, father, father-in-law, mother, mother-in-law, child, stepchild, grandparents, grandchildren, brother or sister of the employee.

In order to receive compensation while absent on family sick leave, the employee shall obtain prior verbal approval from the Police Chief or his/her designee. Payment for family sick leave shall not be processed for payment until the written request and verification are presented to the Police Chief. The employee may submit the written request and verification after the period of leave.

Days of family sick leave granted shall be charged to the individual employee's accumulated sick leave account. In the event that an employee has less than forty-eight accumulated sick leave hours, family sick leave can be granted only to the extent of the employee's accumulated sick leave account balance.

Should the need for family leave under the terms of this Article exceed six working days per occurrence, the employee shall make application for leave under authority of the Family and Medical Leave Act (FMLA) and any continued approval for leave shall be governed by provisions contained therein.

ARTICLE 15 - MILITARY LEAVE

Military Leave of Absence shall be granted in accordance with provisions of the City of Monterey Park's Personnel System Rules and Regulations, Administrative Policy 30-14 and as defined in Section 395 et. seq. of the Military and Veteran's Code of the State of California.

ARTICLE 16 - JURY DUTY

An employee of the City who is required to participate as a juror or required to participate in the jury selection process, shall, each fiscal year, continue to receive full salary and benefits for all shifts the employee is regularly scheduled to work which occur for the ten calendar days from and including the first day the employee is required to report for jury service and is engaged in such activities. Compensation shall extend beyond ten (10) days only upon provision to the City of a certified court document showing that trial counsel and/or the court estimated the trial for which an employee has been selected as a juror, to be of ten (10) or less days in duration.

ARTICLE 17 - LEAVE OF ABSENCE WITHOUT PAY

Except as modified herein, Leave of Absence shall be governed by Personnel Rule XI. Attendance and Leaves, Sec. 4 Leave of Absence, of the Personnel System Rules and Regulations of the City of Monterey Park.

- A. Leave of Absence Without Pay - The City Manager may grant a regular employee a leave of absence without pay for a period not to exceed ninety (90) calendar days. However, no such leave shall be granted unless the Police Chief recommends and the City Manager has approved said leave prior to its commencement date. Upon a showing of good and reasonable cause, the City Manager has authority to retroactively define an unauthorized non-paid leave of absence as being approved and sanctioned.

No such leave shall be effective except upon written request of the employee following exhaustion by the employee of all accrued paid leaves of absence (except sick leave - see below),

including but not limited to vacation, holiday and compensatory time off. If the non-paid leave of absence is solely attributable to a medical condition, which would allow the employee to utilize accumulated sick leave, then, said sick leave shall be exhausted prior to the granting of any leave without pay status. However, those employees taking a non-paid leave of absence pursuant to the FMLA/CFRA are not required to use accrued compensatory time earned in lieu of overtime. Additionally, any such employee on a non-paid leave of absence pursuant to FMLA/CFRA shall be required to use sick leave concurrently with said leave only if the leave is for the employee's own serious condition.

The City Council may authorize a regular employee to utilize leave of absence without pay for a period not to exceed the accumulated total of one hundred and eighty (180) calendar days during the entire term of the employee's service on behalf of the City. For example, if during an employee's length of service with the City, said employee has been granted an accumulated total of one hundred and eighty (180) calendar days of leave without pay, then said employee shall not be eligible for any additional leave without pay status for any duration of time.

The granting of a leave of absence without pay consistent with this policy shall be documented in writing by the City Manager and a copy of said documentation shall be filed with the Director of Human Resources/Risk Management.

In any instance where an employee is utilizing an approved leave of absence without pay for a period of time greater than fifty percent (50%) of a pay period, said employee shall accrue no leave benefits or seniority for the duration of time while in said status.

All requests for approval of leave without pay shall be initiated by the subject employee making said request on a City provided personnel action request form and said form shall become a permanent part of the employee's personnel file.

- B. Maintenance of Insurance Benefits while on Leave of Absence Without Pay - It shall be the policy of the City that when an employee maintains employment status but is in a non-paid leave of absence, then the City shall make no premium or other contributions necessary to maintain in force and effect, any or all insurance coverage for which an employee would be otherwise eligible except as required by law. If such an employee desires to maintain during an authorized non-paid leave of absence, any or all insurance benefits otherwise available to an employee, then said employee shall be required to deposit any and all insurance premium payments with the City Director of Management Services on the date that the City is otherwise required to remit insurance premium payments to the carrier. Each employee shall be advised in writing of this City policy at the commencement of the authorized leave of absence without pay. There shall be no additional notices of said obligation provided to the employee.

ARTICLE 18 - FMLA/CFRA COMPLIANCE

It is the stated intent and policy of the City that should any provision within a Memorandum of Understanding, these rules and regulations, or any other policies or procedures adopted by the City or any of its subdivisions be in violation of the California Family Rights Act and/or the Federal Family and Medical Leave Act of 1993, then such provision is null and void.

ARTICLE 19 - INDUSTRIAL INJURY AND ILLNESS LEAVE

- A. Except as modified herein, Industrial Injury and Illness Leave shall be governed by Personnel Rule XI, Section 4a, Industrial Injury and Illness Leave of the Personnel System Rules and Regulations of the City of Monterey Park.
- B. Subject to the requirement of Article 12, Section A of this Memorandum of Understanding, the City may make application for an employee's industrial disability retirement and said retirement shall not be effective without the member's consent earlier than the date upon which leave of absence without loss of salary under Section 4850 of the Labor Code because of the disability terminates, or the earlier date during the leave as of which the disability is permanent and stationary as found by the Worker's Compensation Appeals Board. (Government Code Section 21164).
- C. An employee who is absent due to an Industrial Injury for an extended period of time will be considered to be on a Monday through Friday 0800 hours – 1700 hours schedule. The employee shall not be required to be at any specific location during this time period, however, must be available by cell or pager.

ARTICLE 20 - MODIFIED DUTY

- A. Subject to the exceptions described below, modified duty shall be made available only to those individuals suffering from an industrial injury. Non-industrial disabilities related to pregnancy, shall result in the subject employee being eligible for modified duty subject only to the criteria of Section B and Section C, subsections 1-6 as described below.
- B. Subject to C in this Article, it is the policy of the City to return work related injured or ill employees to work as quickly as is medically feasible. Every effort will be made to make "modified work" available to industrially injured employees who are not medically ready to return to full duties, but are able to perform light or modified duties without the likelihood of aggravating the injury. "Modified work" is defined as the performance of limited job tasks, which do not encompass all of the essential duties for that particular job class. "Modified duty" shall only be made available until the employee's condition becomes "permanent and stationary" or reaches maximum medical improvement under the prevailing workers' compensation statute and in no case shall extend beyond the statutory benefit period afforded under Labor Code Section 4850 for safety personnel (or six months for non-safety personnel). "Modified duty" shall not be considered a reasonable accommodation since the essential duties for the job are not taken into consideration.
- C. Modified duty may be allowed only if all of the following conditions are met:
 - 1. The Police Chief determines that he/she has productive work available, which is within the work restrictions imposed by the qualified medical specialist. Any such decision by the Police Chief shall not be subject to administrative or court challenge;
 - 2. The Risk Manager concurs that such work will not impose an unacceptable level of risk to the City or the employee; and
 - 3. The City Manager concurs that the modified work assignment of the named employee is

in the best interests of the City.

4. The determination of availability of a modified work assignment shall be made on a case-by-case basis and at the sole discretion of the City;
5. No modified duty assignment shall be made prior to conditions 1-3 being met;
6. There shall be no appeal of any decision, which results in no assignment of modified duty being made.

D. Non-Industrial Modified Duty

1. In addition to the above, non-industrial modified duty may be assigned when the following additional criteria are met (pregnancy disability not subject to the restrictions described below):
 - a. Employee meets all the criteria as stated in Section C of this article.
 - b. Employee receives a medical release from the designated City doctor that modified duties may be performed.
 - c. The prognosis is for the injury/illness to exceed 2 weeks (14 days).
 - d. The employee is released to work a full shift (either 5/8 or 4/10 schedule)
 - e. The employee's schedule is to be determined at the sole discretion of the Chief of Police. The Chief's determination shall not be subject to any administrative or court challenge.
 - f. Modified duty for non-industrial injury/illness shall not exceed 30 calendar days in a rolling twelve-month period.
 - g. An individual on non-industrial modified duty may be assigned to any Division of the Police Department or any Department of the City.
 - h. No more than one individual may be assigned non-industrial modified duty at any one time unless it is determined at the sole discretion of the Chief of Police that sufficient work exists to accommodate more than one individual. The Chief's determination shall not be subject to any administrative or court challenge.
 - i. No individual may be assigned, or continue to be assigned, non-industrial modified duty if there is any officer assigned modified duty for an industrial injury unless it is determined at the sole discretion of the Chief of Police that sufficient work exists to accommodate more than one individual. The Chief's determination shall not be subject to any administrative or court challenge.
 - j. At all times, industrially injured individuals shall have precedence for modified duty assignments over non-industrial injured individuals.

ARTICLE 21 - UNIFORM ALLOWANCE

Effective one month following the City Council approval of the 2014-2016 MOU, the uniform allowance shall be six hundred fifty dollars (\$ 650.00) per year for eligible employees. Effective July 1, 2015, the uniform allowance shall be six hundred and seventy-five dollars (\$ 675.00) per year.

ARTICLE 22 - MEDICAL INSURANCE

- A. Active Employees: Effective one month following the City Council approval of the 2014-2016 MOU, the City agrees to pay a maximum monthly amount up to one thousand and one hundred dollars (\$1,100) and one thousand one hundred and fifty dollars (\$1,150) effective July 1, 2015 towards the medical insurance premium to each eligible employee inclusive of the employees eligible dependents who select any City offered health insurance plan. The employee will pay any and all premiums due in excess of the maximum amounts set forth above.
- B. The City agrees to maintain a premium conversion plan for all active unit members to provide for the pre-tax deduction of the employee's share of premiums toward allowable health coverage, and when applicable, the employee's share of premiums toward the dental plan, as well as any premium payment for PERS long-term care, which the employee may elect to participate in and pay through payroll deduction.
- C. The City shall provide a \$300.00 payment per month for an active employee who waives City-paid medical coverage and provides proof that they are enrolled as a dependent on a non-City employee's health insurance plan. Enrollment onto, and withdrawal from, City-paid medical coverage is subject to the medical provider's policies.
- D. Retired Employees: The City agrees to pay a maximum monthly amount up to six hundred and fifty dollars (\$650.00) towards the medical insurance premium for each eligible retired employee and all eligible dependents who retired with twenty (20) or more years City service. Those retirees who retired with less than twenty (20) years City service will continue to receive the maximum City contribution of \$485.00 per month.
- E. At Medicare eligible age, if a retiree is eligible for Medicare Part A at no cost, that retiree shall make application for any and all Medicare benefits available to them including but not limited to Medicare supplemental coverage but only to the extent that such supplemental coverage is at no cost.
- F. Ending Retiree Medical Insurance and Health Insurance Re-Opener: Employees hired on and after July 1, 2015 shall be ineligible to participate in the city-funded retiree medical insurance program.

For bargaining unit members hired on and after July 1, 2015, the parties agree to establish an alternative, employee-funded retiree medical insurance funding mechanism, pursuant to IRS Code 501 (c)(9), also known as a Trust 115, or other similar program, to provide for post-employment medical coverage for eligible employees. Both parties agree to a re-opener and to meet and confer to discuss the formation of such alternative, employee-funded retiree medical insurance funding plan. This re-opener will occur after January 1, 2015.

ARTICLE 23 - GROUP DENTAL PLAN

Effective one month after the City Council approves the 2014-2016 MOU; the City agrees to contribute up to sixty-five \$65 per month of the premium for each eligible employee and all eligible dependents. As of July 1, 2015, the City agrees to contribute up to seventy-five \$75 for each eligible employee and all eligible dependents. The employee will pay any and all premiums due in excess of these amounts. If an employee is currently not enrolled in the City's Dental Plan the employee may enroll during the City open enrollment period in October and the first date the employee will be eligible for coverage and the city's contribution will begin January 1st of the following calendar year.

ARTICLE 24 - LIFE AND VISION INSURANCE PLANS

- A. Vision Insurance - The City shall provide a vision insurance plan. City contribution shall be no more than \$20 per month. The plan design shall be: Examination every 12 months, Frames and Lenses every 24 months. Deductible shall be \$10.00/exam, \$20.00/frame and lenses.
- B. Life Insurance - Effective one month after the City Council approves the 2014-2016 MOU, the amount of life insurance provided employees covered by this Agreement shall be \$100,000.
- C. Supplemental Life Insurance may be purchased by each employee in \$10,000 increments with a maximum face value of \$300,000, or three times (3X) the individual's gross salary, whichever is less (Employees who currently have supplemental insurance, shall be required to add or delete such supplemental coverage so as to reflect \$10,000 increments). Any premium cost for supplemental insurance shall be borne by the employee.

ARTICLE 25 - EDUCATIONAL INCENTIVE PAY

Effective upon implementation of this Agreement, and as part of the first full monthly payroll cycle following Council adoption, the City agrees to maintain an Educational Incentive Pay Plan, which provides additional compensation as follows:

- A. \$75.00 additional compensation per month for an employee who possess an intermediate or higher POST Certificate and who does not otherwise qualify for the educational incentive pay as provided for in this article.
- B. \$100.00 additional compensation per month for an employee with an Associate of Arts degree or 60 units of college credit from an academic institution accredited by the Western Association of Schools and Colleges or an accrediting organization recognized by the Council of Post Secondary Education in any major.
- C. \$275.00 additional compensation per month for an employee with a Bachelor's degree from an accredited academic institution as described above in a major reasonably related to the employee's work or consistent with a career objective with the City.
- D. \$325.00 additional compensation per month for an employee with a Master's degree from an accredited academic institution as described above in a major reasonably related to the employee's work or consistent with a career objective with the City.
- E. Effective the month following the City Council approval of the 2014-2016 POA-Captains Unit

MOU, the City agrees to pay \$300.00 compensation per month for a Supervisorial POST Certificate or \$375 compensation per month for a Management POST Certificate, for an employee who does not otherwise qualify for the educational incentive pay as provided for in this article. The above amounts shall not be cumulative and in no case shall the total additional monthly compensation under Article 25 exceed \$425 per month.

- F. If an employee possesses any combination of both a Bachelor's/Masters Degree's and a Supervisorial/Management POST Certificate, they will be compensated an additional \$50 per month. In no case shall the total additional monthly compensation under Article 25 exceed \$425 per month.

ARTICLE 26 - EDUCATIONAL ENROLLMENT COST REIMBURSEMENT

Effective July 1, 2012 educational costs shall be limited to two thousand dollars (\$2,000) annually per unit member for eligible reimbursement expenses as defined within this Article.

The City agrees to reimburse employees for the cost of enrolling in college-level courses in an academic institution accredited by the Western Association of Schools and Colleges or an accrediting organization recognized by the Council of Post Secondary Education directly related to their employment, or compatible with a career goal with the City. Enrollment cost reimbursement is subject to approval by both the Chief of Police and the Director of Human Resources and Risk Management. In rendering a reimbursement determination, the Chief of Police and the Director of Human Resources and Risk Management shall consider whether or not the course(s) for which the reimbursement is sought is related to the employee's then existing principal duties and the availability of funds for reimbursement purposes.

No employee shall be entitled to reimbursement unless pre-course enrollment written authorization for reimbursement is received from the Chief of Police and the Director of Human Resources and Risk Management. The reimbursement eligibility determinations described herein are not subject to any administrative or judicial appeal procedure and the decision of the Chief of Police and the Director of Human Resources and Risk Management shall be final.

Enrollment cost reimbursement will be paid according to the following schedule:

1. If tuition or fees are equal to or less than current California State University at Los Angeles fees, the City will pay 100% of the tuition fees.
2. If tuition or fees exceed California State University at Los Angeles fees, the City will pay an amount equal to 100% of the California State University at Los Angeles fees.

An employee will be reimbursed up to twenty-five dollars (\$25.00) for books each semester or equivalent if he/she is enrolled in six (6) or less units; an employee will be reimbursed up to fifty dollars (\$50.00) for books each semester or equivalent, providing he/she is enrolled in seven (7) or more units. Reimbursement shall only be for books required for the course. All requests for reimbursement shall be accompanied by valid receipts.

ARTICLE 27 - SALARIES AND WAGES

Effective Date: Next payroll cycle after the City Council approves the 2014-2016 MOU:
3% cash lump sum payment based on 12 months employment and compensation with the city and

calculated according to the classifications base salary schedule.

Pay Period: July 2014-June 2015

This one time lump sum payment is intended for association members who work the entire 2014-2015 fiscal year. If a member of the association leaves Monterey Park employment to go to another agency or is terminated for disciplinary reasons, that association member shall pay back to the city a pro-rated share of this lump sum payment and this amount shall be deducted from the employees' last paycheck with the city. (i.e., if an association member leaves city employment for another agency 9 months into the fiscal year, that employee will owe back to the city 3 months or 25% of this lump sum payment to be deducted from their last paycheck)

Effective Date: Dec 12, 2015

Pay Period: July 2015-Jun 2016

As of January 1, 2016 and effective the first pay period following January 1, 2016, represented members shall be entitled to a retroactive 1.5% cash payment representing the first six months of the 2014-2015 fiscal, back to July 1, 2015 (calculated according to the member's annual base salary as set forth in the City's Salary Schedule). Also, as of January 1, 2016 and effective the first pay period following January 1, 2016, represented members shall be entitled to a 3% pay increase (calculated according to the member's base salary as set forth in the City's Salary Schedule). Payment of this retroactive payment and salary increase is expressly conditioned upon the following terms and conditions and shall not be implemented if either of the terms and conditions set forth below are not satisfied.

The Permit and Impact Fee Condition. The City must receive \$700,000.00 or more in building permit and impact fees from any combination of five major projects that are identified in Addendum B and which are described as the AG Hotel, the Marriott Hotel, the Double Tree Hotel, the Market Place – Home Depot and the Towne Center. The City must receive \$700,000.00 or more in building permit and impact fees from any combination of these five major projects on or before December 15, 2015. The projected building and impact permit fees that the City is expected to receive for each of the five projects is set forth in Addendum B and shall be referred to as the "Base Building Permit and Impact Fee" for each respective project. In the event the City Council approves a reduction of the "Base Building Permit and Impact Fee" for any of the five major projects, the City will calculate the percentage by which the "Base Building Permit and Impact Fee" was reduced. The single greatest percentage reduction, if any, for any of the five major projects shall then be applied to the \$700,000.00 "trigger". For example, if the Council approves a reduction of the "Base Building Permit and Impact Fee" for four of the projects by 5% and approves a reduction of the "Base Building Permit and Impact Fee" of the fifth project by 10%, a 10% reduction shall be applied to the \$700,000.00 permit fee trigger, thus reducing the permit fee trigger to \$630,000.00.

The Safety Net Condition. The combined negative variance (revenues are less than budget projections and/or expenditures exceed budget authorization) to the General Fund shall not exceed \$450,000.00 during the fiscal year 2014-2015. Revenue measurement shall exclude one-time receivables such as state repayments, residual distributions and revenues from permit fees. Expenditures shall exclude capital improvements, transfers out and expenses related to the above base building permit and impact fees. All other expenditures, such as, a reduction in revenue and/or an increase in expenditures due to state or federal action, natural disaster, liabilities, or other expenditures, shall be included in this calculation.

The retroactive 3% wage increase referenced above is expressly conditioned upon both the Permit Fee Condition and the Safety Net condition being met. If either or both conditions are not met, the City shall

have no obligation to provide the 3% wage increase. However, in the event one or both conditions or not met, and absent any contrary action by the Council, a 3% lump sum payment (calculated according to the member's annual base salary as set forth in the City's Salary Schedule) shall be provided to all members for the 2015/16 fiscal year. This 3% lump sum payment shall be paid on the first payroll in February 2016.

Longevity: Effective July 1, 2014, upon the completion of 28 years of continuous service with the City of Monterey Park an employee shall be compensated a \$200 a month longevity payment. This payment will be based on a fiscal year and payable on the first payroll cycle after July 1st of the new fiscal year. This payment will continue until there is a break of service or a separation of service between the city and the employee.

A. Advancement within the 10-step salary range shall be subject to the terms and conditions as set forth herein:

1. Except as modified herein, all other existing rules governing salaries step increases and performance ratings shall remain as provided for in Municipal Code Section 2.36.050 - Step Increase and 2.36.060 - Performance rating system for employees.
2. Municipal Code Section 2.36.050 (6), Step Increase, based upon prior practices, shall be interpreted as follows: Any employee receiving an unsatisfactory rating report under the performance rating system set forth in Section 2.36.060 shall be rated once each calendar month thereafter. The receipt by any employee of three consecutive unsatisfactory performance ratings shall be grounds for disciplinary action up to and including dismissal.
3. Advancement between steps may occur at intervals of no less than one year. No multiple step increases may be granted. No newly appointed person shall be hired at Step 6 without prior approval of the City Manager. No newly appointed person shall be hired above Step 6 without prior approval of the City Council. Under no circumstances shall any newly appointed employee be hired at Step 10.
4. Performance evaluations and consideration of merit adjustments shall be due annually on the employee's anniversary of the probationary appointment to his/her position classification. Any employee on a leave of absence (paid or unpaid) for more than 30 days in a rating period shall have their annual review date adjusted accordingly.
5. Recommendations for step increases or denial of step increases must be accompanied by a performance evaluation to substantiate performance. An Employee Appraisal and Development Report shall be completed and forwarded to the Human Resources Department prior to any department approved increase being processed for payment. In order for employees to receive increases in a timely manner, the Report should be received by the Human Resources Department by the beginning of the pay period in which the increase is due.
6. Advancement from Step 1 through Step 5 shall be contingent upon receiving "meets standards" or better performance evaluations. Advancement above Step 5 and through Step 9 shall be contingent upon the employee receiving "exceeds standards" or better.
7. Advancement to Step 10 is both temporary and conditional upon achieving "outstanding"

performance as determined by rules set forth by the City Manager. Sustained placement at Step 10 of the range is not guaranteed, but must be earned on an annual basis. Failure to achieve "outstanding" performance ratings in a succeeding year shall result in the employee's salary being returned to Step 9. Any such reversion shall not constitute disciplinary action or the taking of property and no administrative or judicial appeal of the reversion is provided for.

8. Nothing in this Article shall prevent the Chief of Police from exercising management rights to suspend, reduce, demote, layoff, or terminate for cause an employee in accordance with City Personnel Rule XIII - Changes in Employment Status, or Rule XIV - Separation from the Service, or Rule XV - Disciplinary Proceedings.

ARTICLE 28 - SENIORITY

Time which has been spent in a position designated by the Department as an "acting position" does not qualify as seniority for time served within the acting position rank as credit for completion of a probationary period for the acting rank, or as credit for time in rank for merit pay step increases.

ARTICLE 29 - RETIREMENT

- A. Retirement Benefits - Retirement Benefits as provided in contract, dated November 1, 1952, with the Public Employees' Retirement System and as follows:

1. Effective July 1, 1995, PERS "2% @ 50" formula Retirement Plan;
2. Effective June 24, 1989, "Single Highest Year" option;
3. Effective March 20, 1976, "Post Retirement Survivor" option;
4. Effective May 8, 1999, "1959 Survivor's Benefit" - Level 4;
5. Effective August 18, 2001, "3% @ 55" formula Retirement Plan;
6. Effective November 1, 2003, Military Service Credit as Public Service.

- B. Effective July 30, 2012 all employees shall commence payment of their 9% of compensation earnable employee contribution to CalPERS.

- C. Employees who are 'New Members' as defined by the California Public Employees' Pension Reform Act of 2013 (PEPRA) (e.g., an employee hired on or after 1/1/2013 who has never been a CalPERS member or member of a reciprocal system or who has had a break in CalPERS service of at least 6 months or more) will constitute a second tier and be subject to all the applicable PEPRA provisions, which include but are not limited to the following retirement benefits:

Tier 1: Classic members will have the retirement formula that existed with the City on December 31, 2012, 3%@55, single highest year final compensation.

Tier 2: "New Members" will have the retirement formula 2.7%@57, three year average, final compensation including the employee EMPC contribution of 12%.

ARTICLE 30 - MEDICAL EXAMINATION

A medical examination may be required by the City and will be administered by a medical doctor selected by the City. The City agrees to pay the full cost of the medical examination.

ARTICLE 31 - DEFERRED COMPENSATION PLAN

A deferred compensation plan will be available to all members of the Police Officers Association/Captains' Unit. Participation in this deferred compensation plan is at the option of the individual employee.

A. One-Time Deferred Compensation Special 457 Catch-up Provision:

(One-Time is defined by law as an election to "catch-up" underutilized deferrals to a 457 plan, once in a singular year or multiple years, not to exceed 3 years) Federal Law allows 457 participants a one-time catch-up provision to make deferrals to "catch-up" underutilized deferrals from prior years during any or all of the three calendar years ending before the tax year they reach the plans normal retirement age. Normal retirement age for "classic" safety members of PERS is fifty-five (55) years old and fifty-seven (57) years old for "new" members of PERS. All 457 plans of an employer must have the same normal retirement age (NRA). For purposes of the deferred compensation special 457 catch-up provision for the City of Monterey Park, the normal retirement age range shall be considered 51 thru 62 years old.

The intent of this section is to facilitate association members in the final three (3) years prior to their stated retirement date in converting the hourly rate of accrued compensable leave to monies into their contribution to one of the City's deferred compensation providers in accordance with IRS regulations/Federal Law. After an employee defers compensable accrued leave, balances of 120 hours must remain or be maintained in both their sick and vacation accrual banks. If an employee defers compensable leave from a bank that has a formula of payout at retirement (i.e. 50% sick leave at retirement) the deferral does not recalculate the remaining balance. All sick leave hours, per MOU provisions, will be on a fifty percent basis (i.e. a conversion of 100 hours will result in the salary equivalent to 50 hours being deposited into the employees deferred compensation account). In the final three (3) years prior to an employee's stated retirement date he/she may convert the hourly rate of accrued compensable leave to monies into be included in their contribution to one of the City's deferred compensation providers in accordance with IRS regulations and the schedule outlined below:

3-year Catch-up Plan

1st year: no more than 20% of compensable accrual time of Sick Leave, Vacation Leave and Holiday Leave as allowed by Federal Law.

2nd Year: If a second year is chosen, no more than 35% of compensable leave may be deferred.

3rd Year: If a third year is chosen, no more than 50% of compensable leave may be deferred.

The City is not a party to and accepts no responsibility for the employees obligations under federal law to comply with the IRS and legal requirements of such deferrals allowing 457 participants a one-time catch-up provision to make deferrals to "catch-up" underutilized deferrals from prior years during any or all of the three calendar years ending before the tax year they reach the plans normal retirement age.

ARTICLE 32 - EMPLOYEE SAFETY COMMITTEE

A committee of three Association members is to be established. One of the three members will be the Association President, or the Association Vice President. This Committee will meet with appropriate Departments and City officials in matters related to on-duty safety.

Blood borne and Airborne pathogen exposure control training shall be provided to appropriate unit employees and required immunizations will be provided to employees as required at City cost.

ARTICLE 33 - PERSONNEL RULES AND REGULATIONS

During the term of this agreement, both parties agree to meet and confer on the content and implementation of new and/or revised Personnel Rules and Regulations. However, no such rule or regulation modification shall alter any term of this contract.

ARTICLE 34 - WRITTEN NOTICES TO RECOGNIZED EMPLOYEE ORGANIZATION

Reasonable written notice will be given to the Recognized Employee Organization of any rule, ordinance, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the City Council. In cases where the City determines that as a result of an emergency an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meetings with a Recognized Employee Organization, the City shall provide such notice and opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation.

The Recognized Employee Organization shall be deemed to have met and conferred and agreed to any matter if within thirty days after mailing of the notice by the City regarding said matter, the employee organization fails to deliver to the City Manager a written request for a meeting.

ARTICLE 35 - GENERAL PROVISIONS

- A. This Memorandum shall not in any way interfere with the obligation of the parties hereto to comply with the State and Federal laws, or with any rule, regulation, or order issued by such government authority pertaining to matters covered herein. If any provision, or provisions, of this Memorandum shall be affected by State or Federal laws, or of any rule, regulation, or order issued by such governmental authority, or if any provision, or provisions, should be held invalid by a court of record, the remainder of the Memorandum shall not be otherwise affected thereby.
- B. The parties hereto agree to continue their long-standing policies in that there shall be no discrimination against any employee because of membership or non-membership in the Recognized Employee Organization or because of race, color, creed, or national origin. The City and Association further agree that there shall be no discrimination against any employee because of age, gender, legal disability, marital status, sexual orientation and political/union activity, provided that said provisions shall not result in the creation of more broad benefits than presently provided to unit members, nor shall said provisions result in additional funding of benefits.
- C. The parties hereto agree that this Memorandum cannot be modified, changed, and/or canceled in any way except by mutual consent of said parties in writing, as set forth in this Article 35.

- D. Nothing contained in the Memorandum shall act as a waiver of any rights an individual may have under the workers' compensation law.

ARTICLE 36 - TERM OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall be in effect for an initial term commencing July 1, 2014 and ending June 30, 2016 and shall continue in effect from year to year thereafter unless or until terminated.


This Memorandum may be terminated as of the end of the initial term or any subsequent contract period by either party giving written notice to the other not less than ninety (90) calendar days prior to the termination date. If no notice is given in accordance with the terms of this Article, the Memorandum shall automatically renew for an additional year without any change whatsoever.

ARTICLE 37 - CITY COUNCIL APPROVAL

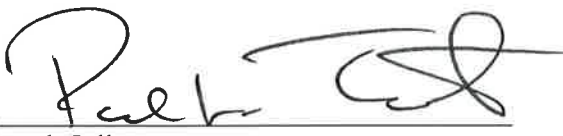
It is however, the mutual understanding of all parties hereto that this Memorandum of Understanding (MOU) is of no force or affect whatsoever unless or until ratified and approved by minute action duly adopted by the City Council of the City of Monterey Park. The "date of implementation" shall be the date this MOU is approved by the City Council.

IN WITNESS HEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this 17th day of September, 2014.

MONTEREY PARK POLICE OFFICERS'
ASSOCIATION, CAPTAINS' UNIT

By: 
Eugene Harris, Captain
Monterey Park Police Department

CITY OF MONTEREY PARK

By: 
Paul Talbot
City Manager

By: 
Thomas J. Cody, Director
Human Resources & Risk Management

ADDENDUM A

City of Monterey Park
Police Captains Unit 2012-2014 MOU
Captains Classification

Salary as of July 1, 2012

	Range	1	2	3	4	5	6	7	8	9	10
Captain	5	\$10,402	\$10,662	\$10,928	\$11,201	\$11,481	\$11,768	\$12,063	\$12,364	\$12,673	\$13,307



ADDENDUM B

Memorandum

DATE: June 4, 2014

TO: Tom Cody, Director of Human Resources and Risk Management

FROM: Michael A. Huntley, Director of Community and Economic Development

RE: Major Project Schedule and Potential Building Permit Revenue

The following information is intended to provide the best estimation of projected Building Permit revenue for the five most significant projects currently being processed by the City. These five projects were selected since they will not only generate Building Permit revenue, but also potential property tax, sales tax and transient occupancy tax revenue to the city. It should be noted that some of the projects may generate one or more of the taxes mentioned above. Attached to this memorandum is a Project Schedule that identifies the projected timing of each project based on the most recently information provided by the applicants.

AG HOTEL

Hotel-Type 1-A/1-B@ \$200 per Sq. Ft. x 91,257 Sq. Ft. = \$18,251,400.00
Restaurant-Type 1-A/1-B@ \$200 per Sq. Ft. x 12,658 Sq. Ft. = \$2,531,600.00
Apartments-Type 111-BN-B Masonry@ \$130 per Sq. Ft. x 86,982 Sq. Ft. = \$11,307,660.00
Retail-Type 1-A/1-B@ \$180 per Sq. Ft. x 1,488 Sq. Ft. = \$267,840.00
Parking -Type 1-A/1-B @ \$75 per Sq. Ft. x 100,000 Sq. Ft. = \$7,500,000.00
Residential Air Condition Equipment Valuation@ \$3.50 per Sq. Ft. x 178,239 Sq. Ft. = \$623,836.50
Commercial Air Condition Equipment Valuation @ \$4.50 per Sq. Ft. x 14,146 Sq. Ft. = \$63,657.00
Fire Sprinkler Equipment Valuation @ \$3.00 per Sq. Ft. x 292,385 Sq. Ft. = \$876,155.00
Total Building Valuation: \$41,423,148.50

Building Permit Fee: \$456,297.00 (Based on the Building Valuation above)

Strong Motion Tax: \$8,698.86
State Green Fee: \$1,657.00
Records Management Fees: \$41,423.15
General Plan Revision: \$82,846.30
Safety Impact: \$446,333.20
Park Fee: \$192,385.00
Total: \$1,229,640.51

MARRIOTT HOTEL

Hotel-Type 1-A/1-B@ \$200 per Sq. Ft. x 180,000 Sq. Ft. = \$36,000,000.00
Restaurant-Type 1-A/1-B@ \$200 per Sq. Ft. x 12,000 Sq. Ft. = \$2,400,000.00

Retail- Type 1-A/1-B@ \$180 per Sq. Ft. x 6,400 Sq. Ft.: \$1,152,000.00
 Parking- Type 1-A/1-B@ \$75 per Sq. Ft. x 100,000 Sq. Ft. = \$7,500,000.00
 Residential Air Condition Equipment Valuation@ \$3.50 per Sq. Ft. x 180,000 Sq. Ft. = \$630,000.00
 Commercial Air Condition Equipment Valuation @ \$4.50 per Sq. Ft. x 18,400 Sq. Ft. = \$82,800.00
Fire Sprinkler Equipment Valuation @ \$3.00 per Sq. Ft. x 298,400 Sq. Ft. = \$895,200
Total Building Valuation: \$48,660,000.00

ADDENDUM B

Building Permit Fee: \$583,733.00 (Based on Building Valuation above)

Strong Motion Tax: \$10,218.60
 State Green Fee: \$1,947.00
 Records Management Fees: \$48,660.00
 General Plan Revision: \$97,320.00
 Safety Impact: \$460,288.00
 Park Fee: \$198,400.00
Total: \$1,400,566.60

DOUBLE TREE HOTEL

Hotel- Type 1-A/1-8 @ \$200 per Sq. Ft. x 98,000 Sq. Ft. = \$19,600,000.00
 Restaurant- Type 1-A/1-8 @ \$200 per Sq. Ft. x 3,500 Sq. Ft. = \$700,000.00
 Retail -Type 1-A/1-8 @ \$180 per Sq. Ft. x 1,500 Sq. Ft. = \$270,000.00
 Parking -Type 1-A/1-8 @ \$75 per Sq. Ft. x 100,000 Sq. Ft. = \$7,500,000.00
 Residential Air Condition Equipment Valuation@ \$3.50 per Sq. Ft. x 98,000 Sq. Ft. = \$343,000.00
 Commercial Air Condition Equipment Valuation@ \$4.50 per Sq. Ft. x 5,000 Sq. Ft. = \$22,500.00
Fire Sprinkler Equipment Valuation@ \$3.00 per Sq. Ft. x 203,000 Sq. Ft. = \$609,000.00
Total Building Valuation: \$29,044,500.00

Building Permit: \$352,608.00 (Based on Building Valuation above)

Strong Motion Tax: \$6,099.35
 State Green Fee: \$1,162.00
 Records Management Fees: \$29,044.50
 General Plan Revision: \$58,089.00
 Safety Impact: \$238,960.00
 Park Fee: \$103,000.00
Total: \$1,027,922.85

Market Place - HOME DEPOT (based on a previous estimate from 2012)

Retail- Type 1-A/1-8@ \$180 per Sq. Ft. x 107,571 Sq. Ft. = \$19,362,780.00
 Commercial Air Condition Equipment Valuation@ \$4.50 per Sq. Ft. x 107,571 Sq. Ft. = \$484,069.50
 Fire Sprinkler Equipment Valuation@ \$3.00 per Sq. Ft. x 135,682 Sq. Ft. = \$407,046.00
Garden Center- Type V@ \$130 per Sq. Ft. x 28,111 Sq. Ft. = \$3,654,430.00
Total Building Valuation: \$21,756,905.50

Building Permit Fee: \$320,889.00 (Based on Building Valuation above)

Strong Motion Tax: \$5,698.45
 State Green Fee: \$1,086.00
 Records Management Fees: \$27,135.46
 General Plan Revision: \$54,270.91
 Safety Impact: \$314,712.64
Park Fee: \$135,652.00
Total: \$859,426.46

Note: The Market Place is an entitled 500,000 square foot regionally commercial shopping center including three development phases and numerous commercial, retail, service and restaurant uses. The

Home Depot was selected because it is the major anchor for the new commercial shopping center; is committed to locate at the center; and is the farthest along with conceptual construction plans.

ADDENDUM B

TOWNE CENTER (based on previously built fees from original time of application)

Residential Component:

Apartments- Type 1-A/1-8@ \$150 per Sq. Ft. x 142,050 Sq. Ft. = \$21,307,500.00
Residential Air Condition Equipment Valuation @ \$3.50 per Sq. Ft. x 142,050 Sq. Ft. = \$497,175.00
Fire Sprinkler Equipment Valuation@ \$3.00 per Sq. Ft. x 142,050 Sq. Ft. = \$426,150.00
Swimming Pools- Residential Pool@ \$70 per Sq. Ft. x 450Sq. Ft. = \$31,500.00
Total Building Valuation: \$22,262,325.00

Building Permit Fee: \$268,406.00

Strong Motion Tax: \$2,226.23
State Green Fee: \$891.00
Records Management Fees: \$22,262.33
General Plan Revision: \$44,524.65
Safety Impact: \$329,556.00
Park Fee: \$76,300.00
Total: \$744,166.21

Commercial Component:

Retail-Type I or II F.R. @ \$140 per Sq. Ft. x 78,583 Sq. Ft. = \$11,001,620.00
Parking- Type I or II F.R. @ \$50 per Sq. Ft. x 249,772 Sq. Ft. = \$12,488,600.00
Commercial Air Condition Equipment Valuation @ \$4.50 per Sq. Ft. x 78,583 Sq. Ft. = \$353,623.50
Fire Sprinkler Equipment Valuation@ \$3.00 per Sq. Ft. x 328,355 Sq. Ft. = \$985,065.00
Total Building Valuation: \$24,828,908.50

Building Permit Fee: \$134,585.00

Strong Motion Tax: \$5,214.07
State Green Fee: N/A
Records Management Fees: \$24,828.91
General Plan Revision: \$49,657.82
Safety Impact: \$173,668.43
Park Fee: \$78,583.00
Total: \$466,537.23

Note: All of the above fee estimates are only for Building Permit and mandated impact fees. Electrical, Mechanical and Plumbing Permit and Plan Check fees are not included since they are based on a fixture count. All other City plan check/permit fees (e.g., Water Division, Public Works Department, Fire Department etc.), impact fees and outside agency fees are also not included in this estimate because they assess their fees individually as separate departments/agencies based on their review.

Project Time Line and Revenue Generation

Summary: The following information is intended to provide the best estimation of when the following five projects will obtain Building Permits and the estimated revenue the projects will generate at the time the permit is issued. These five projects were selected since they will not only generate Building Permit fees, but increase property tax, sales tax, transient occupancy tax revenue to the city. It should be noted that some of the projects may generate one or more of the taxes mentioned above.

AG Hotel- 808 Garvey Avenue

Entitlement Approval- May 2014 **(Approved)**

Construction Drawing Plan Check Submittal: January 2015 (8 months from Entitlement Approval)

Plan Check Processing -July 2015 (6 months for processing) Building

Permit Issuance- July 2015

Double Tree Hotel – 220 N. Atlantic Boulevard

Entitlement Approval- September 2014 **(Pending)**

Construction Drawing Plan Check Submittal: May 2015 (8 months from Entitlement Approval)

Plan Check Processing- November 2015 (6 months for processing) Building

Permit Issuance- November 2015

Marriott Hotel- 521 N. Atlantic Boulevard

Entitlement Approval- October 2014 **(Pending)**

Construction Drawing Plan Check Submittal: June 2015 (8 months from Entitlement Approval)

Plan Check Processing- December 2015 (6 months for processing) Building

Permit Issuance- December 2015

Monterey Market Place (Home Depot)

Entitlement Approval – 2013 **(Approved)**

Construction Drawing Plan Check Submittal: May 2015 (8 months from closing escrow on the property)

Plan Check Processing – November 2015 (6 months for processing) Building

Permit Issuance- November 2015

Monterey Park Towne Centre

Entitlement Approval- 2013 **(Approved)**

Construction Drawing Plan Check Submittal: December 2014

Plan Check Processing -June 2015 (6 months for processing) Building

Permit Issuance- June 2015

ADDENDUM B

[illegible]

**Side Letter No. 1 to the 2014 – 2016 Memorandum of Understanding
Between the City of Monterey Park and the Monterey Park
Police Officers' Association – Police Captains' Bargaining Unit**

This document shall serve as Side Letter No. 1 modifying the 2014-2016 Memorandum of Understanding between the City of Monterey Park ("City") and the Monterey Park Police Officers' Association – Police Captains' Bargaining Unit ("PCBU") as follows:


ARTICLE 27 – SALARIES AND WAGES

Longevity: Effective the pay period following execution of this side letter and upon the completion of 25 years of continuous service with the City of Monterey Park an employee shall be compensated a \$200 a month longevity payment. This payment will be based on a fiscal year and payable on the first payroll cycle after the affected employee's anniversary date. This payment will continue until there is a break of service or a separation of service between the city and the employee.


All other terms and conditions contained in the Memorandum of Understanding executed on September 17, 2014 by and between the City and PCBU not specifically amended by this Side Letter Agreement No. 1 shall remain unchanged and in full force and effect unless otherwise modified by express written agreement between the parties.

IN WITNESS THEREOF the parties have caused the duly authorized representatives to execute this Agreement this 27th day of JANUARY, 2015.

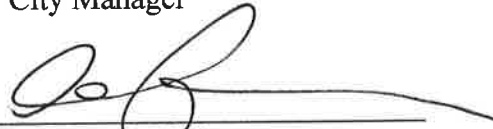
By: _____


Eugene Harris, Captain
Police Captains' Bargaining Unit

By: _____


Paul Talbot
City Manager

By: _____


Thomas J. Cody, Director
Human Resources/Risk Mgmt.

LETTER OF AGREEMENT

BETWEEN THE CITY OF MONTEREY PARK AND THE

MONTEREY PARK POLICE OFFICERS ASSOCIATION

POLICE CAPTAINS BARGAINING UNIT

The City of Monterey Park (City) and the Monterey Park Police Officers Association (POA) agree that health insurance is of importance to the City, the POA, Police Captains and retirees. Even though the current MOU between the parties expires in June 2016 and the parties plan to negotiate a successor agreement, the parties believe that a timely resolution of the health insurance issue is critical. As a result, the parties have met regarding health insurance and agreed upon a structure that will provide comprehensive and cost effective health insurance for Police Captains and retirees. The Agreement is set forth below and supersedes any provision in Articles 22-24 of the MOU in conflict with this Agreement.

1. Article 22 (Medical Insurance), Article 23 (Group Dental Plan), Article 24 (Life and Vision Insurance Plans) – amend as follows:

Article 22 (Health Insurance)

A. Medical Insurance (for Active Employees)

1. The City will contribute up to \$1100/month toward an eligible employee's insurance premium (employee only, employee plus spouse, or employee and dependents). Effective July 1, 2015, the City's maximum contribution will be increased to \$1150/month. Except as set forth above, employees will pay the amount of the total insurance premium that exceeds the City's contribution via the City's Cafeteria Plan (IRC Section 125 Plan). This provision will expire on December 31, 2015

2. Effective January 1, 2016, employees will receive insurance coverage through CalPERS under the California Public Employees' Medical and Hospital Care Act (PEMHCA). The City's contribution toward medical insurance under PEMHCA will be the minimum employer contribution (MEC) required by PEMHCA (in 2016 the MEC is \$125/mo.).

B. Retiree Medical Insurance

1. Retiree Medical Benefits In Effect Until December 31, 2015

Employees who are hired by the City on or before December 31, 2015 and retire from City service will receive a City contribution toward the purchase of medical

insurance (single party and dependent coverage). Retirees are required to coordinate with Medicare, including the purchase of a Medicare supplement.

a. If the employee retired from City employment with less than 20 years of City service, he/she will receive up to \$485/month toward the purchase of medical insurance (single party and dependent coverage)

b. If the employee retired from City employment with 20 or more years of City service, he/she will receive up to \$650/month toward the purchase of medical insurance (single party and dependent coverage).

2. Retiree Medical Benefits Beginning January 1, 2016

a. Employees who are hired into City service on or after January 1, 2016 will not be eligible for the City contribution set forth in section B.1 above. Instead, these individuals will be eligible for medical insurance provided by PEMHCA and receive a City contribution equal to the MEC provided under PEMHCA (See section A.2 above).

b. Those individuals who were hired on or before December 31, 2015 will be eligible for medical insurance provided by PEMHCA and receive a City contribution equal to the MEC under PEMHCA. The City shall also make a monthly contribution to a retiree Health Reimbursement Account (HRA) for the difference between the MEC and the contribution amount set forth in Section B.1 above.

C. Dental Insurance

Retroactive to the first pay cycle following July 1, 2014 and following City Council approval of the new 2014-2016 MOU the City agrees to contribute up to sixty-five (\$ 65.00) per month of the premium for each eligible employee and all eligible dependents. This will increase to seventy-five (\$75) per month effective 7/1/15. The employee will pay any and all premiums due in excess of the City contribution under the City's Cafeteria Plan (Section 125).

D. Vision Insurance

The City shall offer a vision insurance plan. Retroactive to the first pay cycle following July 1, 2014 and following City Council approval of the new 2014-2016 MOU the city agrees to pay \$20 for the employee and qualified dependents. The employee will pay any and all premiums due in excess of the City contribution under the City's Cafeteria Plan. The plan design shall be: Examination every 12 months; Frames and Lenses every 24 months. Deductible shall be \$10.00/exam; \$20.00/frame and lenses

E. Cafeteria Plan

1. The City agrees to maintain a premium conversion plan for all active unit members to provide for the pre-tax deduction of the employee's share of premiums toward medical coverage, and when applicable, the employee's share of premiums toward the dental plan as well as any premium payment for P.E.R.S. Long Term Care which the employee may elect to participate in and pay through payroll deduction.

2. Effective January 1, 2016, the City shall amend its Cafeteria Plan to provide for the following: The City's monthly contribution for health insurance coverage for active employees shall be up to \$1150 per month for employees electing to participate in PEMHCA. The City's contribution will include the PEMHCA MEC, as set forth in Section 1.B above (\$125 per month for 2016) and the remainder (in 2016, it would be up to \$1025 per month) shall be used to pay for the eligible employee's health insurance premium (employee only, employee plus one, or employee plus family). Eligible expenses include: (1) medical insurance premium, (2) dental insurance premium, (3) disability insurance premium, (4) vision insurance premium, and cash (as set forth below). Employees will be responsible for paying the amount of the total insurance premium that exceeds the City's contribution via the City's Cafeteria Plan (IRC Section 125 Plan).

3. For employees who elect to waive medical insurance from the City (opt out), the City will pay \$300/month in cash to the employee. In order to receive the opt-out incentive, the employee must certify that he/she has coverage through another insurance plan that is not an individual plan or coverage under an Exchange/marketplace.

4. Specific details of this cafeteria plan will be contained in a plan document available for review by employees at the City's Human Resources Department.

Article 23 (Dependent Care Flexible Spending Arrangement and Health Reimbursement Arrangement)

A.. The parties will (continue to) meet regarding the establishment of a Dependent Care Flexible Spending Arrangement (per IRC 129) that will enable employees, through salary reduction, to be reimbursed on a tax-advantaged basis for qualified dependent care expenses. Any plan adopted will be at no expense to the City.

B. The parties will (continue to) meet regarding the establishment of a Health Reimbursement Account (eg., an integral part governmental trust per IRC § 115) in

which employees make tax-advantaged contributions toward their retirement health costs by such means as a mandatory reduction in salary, or leave cash-outs. Any HRA that is implemented for active employees will be at no expense to the City.

Article 24 (Life Insurance Plans)


A. Life Insurance – Retroactive to the first pay cycle following July 1, 2014 and following City Council approval of the new 2014-16 MOU the City shall provide each employee covered under this Agreement a term life insurance policy in the amount of \$100,000.

B. Supplemental Life Insurance may be purchased by each employee in \$10,000 increments with a maximum face value of \$300,000, or three times (3X) the individual's gross salary, whichever is less. Employees who currently have supplemental insurance, shall be required to add or delete such supplemental coverage so as to reflect \$10,000 increments. Any premium cost for supplemental insurance shall be borne by the employee.

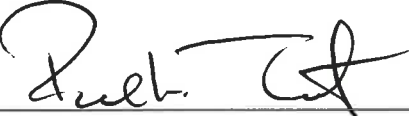
This Agreement is to be considered an addendum to the parties' 2014-16 MOU. As a result, contract provisions, such as the savings/severability clause and the grievance procedure are incorporated by reference into this Agreement. This Agreement will remain in effect until the parties reach a new collective bargaining agreement or complete the negotiations process for a successor agreement to the 2014-16 MOU, whichever occurs first. Notwithstanding the above, the City reserves the right to reopen the issue of health insurance in order to address the impact of the Patient Protection and Affordable Care Act (ACA), including but not limited to, consideration of the impact of the Excise Tax (commonly known as the Cadillac Tax) which is due to go into effect in 2018.

[see next page]

IN WITNESS THEREOF the parties have caused the duly authorized representatives to execute this Agreement this 19 day of MAY, 2015.

By: 
Eugene Harris, Captain
POA – Captains' Unit

By: 
Thomas J. Cody, Director
Human Resources & Risk Management.

By: 
Paul Talbot
City Manager